

PARTNERS

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V3 NEW ELIGIBILITY SYSTEM

Project Update

By Gelane Hamilton

The Health Plan Administration System Project (HPAS) has now reached the system test phase. As of August 18, 2006, 471 of the 1,681 Phase 1 test scenarios have been completed. The HPAS Implementation Team has participated in system testing on a limited basis in preparation for their responsibility for User Acceptance Testing (UAT).

One of the most critical system testing scenarios is the production of eligibility interface files for the individual health benefit vendors. Vitech has successfully created a full file eligibility interface file for United Healthcare. United was chosen because their interface includes eligibility for the Preferred Provider Organization (PPO), Health Maintenance Organization (HMO), Consumer Driven Health Plan (CDHP) and Indemnity options.

The next step in interface testing will require vendor participation. Meetings have been scheduled to discuss changes in the interface files and the development of testing schedules and processes. The

goal of nightly interfaces with all vendors will prevent delay in services pending manual eligibility updates.

Training documentation for Employee and Employer Self Service modules has been submitted to DCH for review. Additionally, development has begun on the web tutorials that are a prerequisite to the employer training classes. The schedule and locations for the training sessions will be communicated directly to employers once host facilities are finalized. Instructions will be provided for on-line registration. The limited space of the computer lab training environment necessitates the request to limit attendance to two employees from each employer.

Once again, DCH would like to emphasize the importance of your participation in the HPAS project. The contributions made by the employers have proven to be invaluable. Please do not hesitate to contact one of the Implementation Team members with your questions or concerns.

Interfaces/Testing for V3/HPAS

By Carl Line

Deborah Sheppard has been hard at work setting up hundreds of users in Employer Self Service. We also have set up FTP folders for those locations that indicated a preference for using FTP for file transmission. So far we have received deduction interfaces from over 250 billing locations. Upon receipt of a payroll deduction file in the proper format we are doing a comparison with information

contained in our current system and SHBP staff is working with billing locations to resolve any discrepancies. After receipt of the initial file, we would like to continue receiving your monthly payroll deduction file. This process will help to insure that we are converting "clean" data into the V3 system.

The data on the PUF (Payroll Update File) interface is matched against (continued page 2)

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the member contribution that is billed by our current eligibility system. An area of common concern in preparing these interface files continues to be the issue of a school system paying a portion of the employee deduction amount. That amount, if any, should be put in the 'Subsidized Amount' field on the interface.

Since the implementation date of the V3/HPAS project will be after Open Enrollment, we will be using the Employer Self Service import process or FTP process to receive the required "all employee files" from locations for the upcoming Open Enrollment.

These files will be needed by the latter part of September. If you have not yet submitted your payroll deduction files, please do so as soon as possible and start working on preparing the all employees file to insure that you will be able to prepare and submit this file when requested.

If you have not yet received a request for these files or would like to find out more about how these interfaces apply to your location and how it can benefit you once V3 is implemented, please contact Deborah Sheppard or Carl Line.

Educational Sessions for Benefit Coordinators

By Trudie Nacin

The Georgia Department of Community Health has engaged the A.L. Burruss Institute of Public Service and Research to conduct statewide educational sessions for Benefit Coordinators. The sessions will focus on the business rules for eligibility and the changes to the business processes that will occur after V3 is implemented. The A.L. Burruss Institute will hold a minimum of 30 sessions at various technical schools around the state beginning September 5, 2006 and ending by October 31, 2006. Attendance at one of the half-day sessions is required before the Benefit Coordinator may attend V3 system training.

To register online for a session convenient to you, go to www.dch.georgia.gov/shbp and click on the link to register for an educational session. There is no charge for the session. Some of the sessions have limited seating so register early to assure that you may attend the session you wish. Currently, A.L. Burruss is not limiting the number of benefit coordinators that may

attend from any one billing location so please have everyone from your office that handles health benefits attend a session.

The A.L. Burruss Institute of Public Service and Research at Kennesaw State University provides a wide variety of services, such as training, surveys, and assessments, for federal, state, and local governments and nonprofit organizations.

Some of the topics to be covered are:

- Responsibilities of the employer and the employee
- The role of employment records
- The dependents' role in establishing the coverage tiers
- Timeliness of submitting transactions and how it affects the member's coverage
- Importance of timely contribution payments
- Other topics, i.e. leave without pay, etc.

Open Enrollment for 2007 Plan Year

By Jean Giles

The Open Enrollment (OE) dates are October 10 – November 9, 2006 and there will be several changes to the Open Enrollment process. This year employees participating in the Georgia Merit System Flexible Benefits Program will be able to make their benefit elections during OE using a single portal website. Information to assist you in making your decisions will also be available on this website beginning September

25, 2006 but you will not be able to login and make changes until October 10, which is the first day of OE. The website is www.oe2007.ga.gov.

The website entrance will be shared by both the State Flexible Benefits Program participants and non-participants. The result is all SHBP eligible participants experience a similar look and feel of the website and ALL employees will have to register before they can login.

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Employees will be required to enter a Password and to answer a Security Question. Once they have completed these steps, they will be able to use their Policy Number and Password to Login.

For State employees the employee base information under the Georgia Flexible Benefits Program will appear when you login in. They can then complete their election for all Flexible Benefits (other than the Health Savings Account). They will then be prompted to make their SHBP Health Benefit Election. Once the health benefit election is made and confirmed, the employee should print their confirmation page. They can then return to the Flexible Benefits Program and (enroll in the HSA if

they so desire). The SHBP Health Benefit Election and the confirmation number will show on their Flexible Benefits Summary. They should print this confirmation page and keep for their records as well.

Employees of non-participating Georgia Flexible Benefits Program employers will go directly to their SHBP Health Benefit Election. They need to confirm that their basic information and dependent information is correct. They will then make their health benefit election. They should print the confirmation page and keep for their records. They will need to contact you, the billing location, to obtain information regarding their other benefits.

SHBP's Role and Section 125

By Angela Dixon, Esquire

With the implementation of its new V3 eligibility system, the SHBP anticipates instituting several system enhancements not currently available under its existing eligibility system. These enhancements will benefit not only the SHBP but also the billing locations and members. Of crucial importance, the system will be programmed to ensure that SHBP follows its eligibility rules, which comply with business operations and applicable state and federal laws.

As the health benefit plan for state employees, public school teachers, public school employees, retirees, contract groups as designated by statute, and any eligible dependents thereof, the SHBP operates pursuant to the Georgia Code and rules and regulations promulgated by the Board of Community Health, as well as applicable federal laws as necessary. Additionally, although not a "cafeteria plan" itself, the SHBP abides by "cafeteria plan" rules and regulations promulgated by the Internal Revenue Service under Section 125 of the Internal Revenue Code ("IRC") in order to ensure legal compliance of those "employers" or "employing entities" that include the SHBP as a health benefit plan offering under their cafeteria plan.

As such, built-in system edits will prohibit billing locations and members from keying entries that contradict SHBP eligibility guidelines (for example, entering retrospective dates of eligibility). Employers

who offer cafeteria plan programs must pay particular attention to this change. For while the SHBP's system will be programmed to abide by applicable laws, the SHBP will not assume responsibility for ensuring that employers or billing locations comply with applicable laws. Thus, employers, perhaps through the use of hired benefit consultants or legal counsel, must assume responsibility for their own legal compliance.

Pursuant to Ga. Admin. Comp. Ch. 111-4-1-.01(25), the SHBP defines "employer" or "employing entity" as any department, school system, local employer, agency, authority, board, commission, county department of family and children services, county department of health, community service board or retirement system that employs or issues an annuity check to an employee or retiree as defined in the SHBP regulations. As mandated by federal law, the employer (who is responsible for salary reductions) assumes the responsibility for compliance with cafeteria plan regulations, not the SHBP. Accordingly, employers must stay abreast of federal regulations and track their own compliance.

As employer-sponsored employee benefit plans, cafeteria plans allow employees to elect benefits on a pre-tax basis, which saves both the employers and employees taxes. Congress enacted Section 125 of the IRC for the provision of such pre-

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SHBP's Role and Section 125

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tax benefits. Section 125 allows a pre-tax withholding of a portion of employee earnings in order to cover specified health care or child care benefits. More precisely, code section 125 allows employers to offer employees a choice between cash salary and various non-taxable qualified benefits. These qualified benefits do not defer compensation but are excludable from the employee's gross income. Said qualified benefits include, but may not be limited to health care, dental, vision, disability, and group-term life insurance.

Since employees receive these benefits without federal or state income taxes, the employee's taxable income decreases and he or she increases his or her take-home pay. Similarly, the employer reduces payroll and enjoys the benefits of such reduction. In order to accomplish these goals, employees voluntarily enter into salary reduction agreements with their employers whereby the employee contributes a fraction of his or her salary on a pre-tax basis in order to pay for pre-tax qualified benefits. Since the employee does not actually receive the salary reduction contributions, the government

does not consider the reduction as wages for federal income tax purposes. However, if an employer deviates from Section 125 or the accompanying treasury regulations, the employer loses the legal tax exemption.

As the SHBP continues to provide health benefit coverage under the cafeteria plans of various employers, the SHBP desires that employers continue to abide by cafeteria plan rules so as not to jeopardize the benefits received by both the employers and the members. Notwithstanding, as mentioned previously, as strictly a health benefit plan offering, the SHBP cannot assume responsibility for ensuring the employer's legal compliance. The SHBP's new system will follow the legal guidelines strictly and consistently in the best interest of the Plan and the population it services. Therefore, the SHBP advises that employers adjust their practices accordingly. With the implementation of the new V3eligibility system, the Plan desires to better service its population and believes it can do so through this cooperative effort.

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